Social and rural obligations of private insurance companies

4016. SHRIMATI N.P. DURGA: Will the Minister of FINANCE be pleased to state:

(a) how IRDA ensures, through IRDA Regulations, 2002, the social and rural obligations of private insurance companies in the country;

(b) the number of people, approximately in the rural areas covered by the private insurance companies during the last five years, year-wise, company-wise and State-wise;

(c) the number of people, approximately, in the rural areas covered by LIC and other public sector insurance companies during the last five years, year-wise, company-wise, and State-wise;

(d) whether IRDA has issued any regulations on micro insurance in rural areas for weaker sections of the society; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) The Insurance Regulatory and Development Authority monitors the performance of the companies against the stipulated obligations under the Insurance Regulatory and Development Authority (IRDA) (Obligation of the insurers towards the rural and social sectors) Regulations, 2002, through the monthly reporting by insurers of the premium underwritten and policies issued in the rural areas and the number of lives covered for the social sectors. In case of shortfall, the defaulter insurers are directed to file details of steps being taken to be compliant with the prescribed obligations.

(b) and (c) The details of the percentage of policies/premium underwritten by life and non-life insurers in the rural and social sectors in the four years commencing 2001-02 are given in the Statement (*See below*). IRDA does not call for rural and social sectors statistics on State-wise basis.

(d) and (e) Yes, Sir. IRDA has notified the Insurance Regulatory and Development Authority (Micro-Insurance) Regulations, 2005 on 10th November, 2005 which allows insurance companies to offer combination of long term life products with short term non-life products to weaker sections of the society in rural areas. The Regulations have been laid on the Table of the House on 7th March, 2006.

Statement

Percentage of policies/premium under written by Life and Non Life Insurer in Rural and Social Sectors from the year 2001 to 2004.

LIFE INSURERS—RURAL SECTOR

% of policies issued in rural sector

Insurer	2001-02		2002-03		2003-04		2004-05	
	Target	Achie-ved	Target	Achie-ved	Target	Achie-ved	Target	Achie-ved
Allianz Bajaj	5.00	18.13	9.00	16.70	12.00	12.95	14	15.84
ING Vysya	5.00	7.40	9.00	35.38	12.00	13.27	14	15.24
AMP Sanmar	5.00	7.50	9.00	9.24	12.00	13.26	14	16.19
SBI Life	5.00	4.00	9.00	15.48	12.00	14.03	14	21.92
TATA AIG	5.00	11.00	9.00	9.99	12.00	14.22	14	18.00
HDFC Standard	7.00	4.50	12.00	12.30	14.00	19.23	16	20.60
ICICI Prudential	7.00	7.04	12.00	12.02	14.00	14.85	16	16.00
Birla Sunlife	7.00	11.42	12.00	16.09	14.00	16.70	16	24.00
Aviva	-	-	7.00	0.56	9.00	18.73	12	20.10
Kotak Mahindra OM	5.00	7.51	9.00	15.78	12.00	14.00	14	15.72
Max New York	7.00	8.67	12.00	12.05	14.00	16.56	16	18.75
MetLife	5.00	7.90	9.00	25.97	12.00	27.17	14	15.67
Sahara#	-	-	-	-	-	-	2.92	27.34
LIC		16.05		18.52		22.79		22.89

 # The insurer was in business during the last five months of the financial year.

LIFE INSURERS—SOCIAL SECTOR

No. of lives covered in social sector

Insurer	2001-02		2002-03		2003-04		2004-05	
	Target	Achie-ved	Target	Achie-ved	Target	Achie-ved	Target	Achie-ved
Allianz Bajaj	2500	2528	7500	11111	10000	24052	15000	16355
ING Vysya	2500	3500	7500	7500	10000	10000	15000	16314
AMP Sanmar	1250	Nil	7500	7572	10000	31683	15000	29108
SBI Life	3958	Nil	7500	37478	10000	80927	15000	122572

Insurer	Target	Achie-ved	Target	Achie-ved	Target	Achie-ved	Target	Achie-ved
TATA AIG	5000	7500	7500	11825	10000	1413	15000	16117
HDFC Standard	7500	4959	10000	10490	15000	17184	20000	28432
ICICI Prudential	7500	7604	10000	17964	15000	15050	20000	20139
Birla Sunlife	7500	8174	10000	11857	15000	16651	20000	22024
Aviva	-	-	3750	2370	7500	84939	10000	260925
Kotak Mahindra OM	4375	6023	7500	32499	10000	3387	15000	26326
Max New York	7500	7649	10000	15669	15000	15654	20000	23318
MetLife	1250	Nil	7500	851	10000	24000	15000	17220
Sahara#	-	-	-	-	-	-	2983	2380
LIC		754816	754816	761752	754816	173972	7548162	4212804

The insurers was in business during the last five months of the financial year.

NON-LIFE INSURERS—RURAL SECTOR

% of premium underwritten in rural sector

Insurer	2001-02		2002-03		2003-04		2004-05	
	Target	Achie-ved	Target	Achie-ved	Target	Achie-ved	Target	Achie-ved
Royal Sundaram	2.00	2.12	3.00	3.85	5.00	6.13	5	6.06
TATA AIG	2.00	3.98	3.00	3.06	5.00	5.59	5	7.98
Reliance	2.00	2.00	3.00	3.03	5.00	5.69	5	5.08
IFFCO Tokio	3.00	6.82	5.00	5.42	5.00	5.57	5	7.40
ICICI Lombard	2.00	0.83	3.00	2.21	5.00	5.27	5	5.60
Bajaj Allianz	2.00	2.14	3.00	5.87	5.00	5.73	5	9.40
HDFC Chubb	-	-	2.00	1.07	3.00	3.00	5	5.12
Cholamandalam	-	-	2.00	0.11	3.00	4.46	5	5.22
New India		6.60		8.32		6.27		6.21
National		3.10		8.42		7.76		8.57
United India		4.92		7.12		11.50		12.59
Oriental		3.00		4.76		4.98		5.34

NON-LIFE INSURERS—SOCIAL SECTOR

No. of Lives covered in Social Sector

Insurer	2001-02		2002-03		2003-04		2004-05	
	Target	Achie-ved	Target	Achie-ved	Target	Achie-ved	Target	Achie-ved
Royal Sundaram	5000	6064	7500	10902	10000	66903	15000	27288
TATA AIG	5000	0	7500	8609	10000	10778	15000	18249
Reliance	5000	0	7500	8797	10000	14000	15000	28698
IFFCO Tokio	7500	5879	10000	827334	15000	824280	20000	899210
ICICI Lombard	2917	2902	7500	16660	10000	119724	15000	140063
Bajaj Allianz	5000	5000	7500	14053	10000	34689	15000	16724
HDFC Chubb			2500	nil	10000	8221	10000	48864
Cholamandalam			2500	nil	10000	36085	10000	39061
New India		11140487		27539481		11325337		2963879
National		1341854		1531384		2919487		151021
United India*		5744000		467166		599812		630103
Oriental		3427276		3619274		5126330		5332167

*United India figures for the FY 2001-02 not comparable.

Increase in irrigation tax

4017. SHRI KALRAJ MISHRA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that certain State Governments, including Madhya Pradesh and Chhattisgarh have raised many-fold the irrigation tax per acre leviable on farmers;

(b) if so, whether Government have issued any broad guidelines to State Governments about State-levies and taxes imposed on farmers, to help the farmers out of the financial and tax-burden and to protect them against situations leading them to commit suicides; and

(c) if so, the details in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Irrigation being a State subject,